



## Education Funding

### ***Is the State the only entity that provides funds for the Voluntary Prekindergarten Education Program, K-12 public schools, institutions in the Florida College System, State Universities, and other educational programs?***

No. While the State plays a key role in providing funds to support the education system, federal, local, private, and other sources also provide funding.

### ***What types of funds are appropriated for the Voluntary Prekindergarten Education Program?***

For FY 2010-11, general revenue funds and American Recovery and Reinvestment Act (federal stimulus) funds are provided to the Department of Education for transfer to the Agency for Workforce Innovation for the administration and delivery of the Voluntary Prekindergarten Education Program through local early learning coalitions.<sup>1</sup>

### ***What types of funds are appropriated for K-12 public schools?***

For the FY 2010-11, appropriations for public schools are as follows:<sup>2</sup>

- ❖ 65 percent from general revenue funds;
- ❖ 14 percent from federal stimulus funds;
- ❖ 18 percent from other federal funds;
- ❖ 2 percent from the Educational Enhancement Trust Fund; and
- ❖ 1 percent from other trust funds.

Though not appropriated, the Legislature determines the required local effort to be collected from local property taxes for public schools.<sup>3</sup>

<sup>1</sup> Sections 411.01, 1002.51-1002.79, F.S.; specific appropriation 75, s. 2, ch. 2010-152, L.O.F.; see Voluntary Prekindergarten Education Fact Sheet.

<sup>2</sup> Specific appropriations 6-8, s. 1, and 78-106, s. 2, ch. 2010-152, L.O.F.

<sup>3</sup> Section 1011.62(4), F.S.; specific appropriation 78 (paragraph 8), s. 2, ch. 2010-152, L.O.F.; see *2010-11 Florida Education Finance Program 2<sup>nd</sup> Calculation* (July 2010), available at <http://www.fldoe.org/fefp/offrfefp.asp> [hereinafter *FEFP 2<sup>nd</sup> Calculation*]; see also Florida Education Finance Program Fact Sheet.

### **What is the Florida Education Finance Program (FEFP)?**

The FEFP is the funding formula adopted by the Florida Legislature in 1973 to allocate funds appropriated by the Legislature to school districts for K-12 public school operations.<sup>4</sup> The FEFP implements the constitutional requirement for a uniform system of free public education<sup>5</sup> and is an allocation model based on individual student participation in educational programs. In order to ensure equalized funding, the FEFP is comprised of state and local funds and takes into account:<sup>6</sup>

- ❖ The local property tax base;
- ❖ The costs of educational programs;
- ❖ District costs of living and the costs of hiring personnel across districts; and
- ❖ Sparsity of student population.

### **What are the local funding sources for K-12 public school operations?**

#### **Nonvoted Millage Rates.**

- ❖ The Legislature established in the 2010-11 General Appropriations Act the required local effort (RLE) amount of \$7.2 billion, to be raised by ad valorem taxes.<sup>7</sup> With the receipt of the certified tax roll in July, the Commissioner of Education calculates a statewide millage rate (5.380) that will generate \$7.2 billion, when applied to each county's tax roll, after each school board's millage rate is adjusted for the county's local level of assessment on ad valorem property and for the requirement that no school board's RLE exceeds 90 percent of FEFP funds.<sup>8</sup> School boards must levy the RLE millage rate to receive state FEFP funding.<sup>9</sup>
- ❖ School boards are authorized to levy two nonvoted discretionary millage rates:<sup>10</sup>
  - ◆ Up to .748 mills authorized for operating purposes, which is compressed to the statewide average with a state funding supplement if a district does not achieve the statewide average revenue per student from the full levy of the millage; and
  - ◆ Up to .25 mills authorized for capital or operating purposes, which must be approved by a supermajority vote of the school board and by a vote of the electorate if the millage is to be levied beyond the FY 2010-11. If this millage is levied for operating purposes there is a state funding supplement provided to districts that do not achieve the statewide average revenue per student from the full levy of the millage.<sup>11</sup>

**Voted Millage Rates.** The electors within a school district may approve two millage rates:

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<sup>4</sup> Section 1011.62, F.S.; see *2009-10 Funding for Florida School Districts* available at <http://www.fldoe.org/fefp/pdf/fefpdist.pdf>; *FEFP 2<sup>nd</sup> Calculation*, *supra* note 3; see also Florida Education Finance Program Fact Sheet.

<sup>5</sup> Section 1(a), Art. IX of the State Constitution.

<sup>6</sup> Section 1011.62(4), F.S.; specific appropriation 78 (paragraph 8), s. 2, ch. 2010-152, L.O.F.; see *FEFP 2<sup>nd</sup> Calculation*, *supra* note 3; see also Florida Education Finance Program Fact Sheet.

<sup>7</sup> Specific appropriation 78 (paragraph 8), s. 2, ch. 2010-152, L.O.F.

<sup>8</sup> Section 1011.62(4)(a), F.S.; *FEFP 2<sup>nd</sup> Calculation* *supra* note 3.

<sup>9</sup> Sections 1011.60(6) and 1011.71(1), F.S.

<sup>10</sup> Section 1011.71(1), F.S.; specific appropriation 78 (paragraph 9), s. 2, ch. 2010-152, L.O.F.

<sup>11</sup> Section 1011.71(3)(b), F.S.

- ❖ A millage rate for a period not to exceed two years (authorized for operating or capital funds);<sup>12</sup> and
- ❖ A millage rate for a period not to exceed four years (also authorized for operating or capital funds).<sup>13</sup>

***Is there a limit on the amount of local property taxes that may be collected for school purposes?***

Yes. The Florida Constitution limits the amount of ad valorem taxes for school purposes to 10 mills, exclusive of taxes levied for the payment of bonds and taxes levied for periods not longer than two years when authorized by vote of the electors.<sup>14</sup>

***Are there any state capital outlay funds available to school districts?***

Yes. Several state sources provide funds for school district capital outlay, including the following programs:

- ❖ Public Education Capital Outlay and Debt Service Trust Fund (PECO);<sup>15</sup>
- ❖ Capital Outlay and Debt Service Fund (CO&DS);<sup>16</sup>
- ❖ Special Facility Construction Account;<sup>17</sup>
- ❖ Classrooms First Program;<sup>18</sup>
- ❖ Classroom for Kids Program;<sup>19</sup> and
- ❖ Charter School Capital Outlay.<sup>20</sup>

***Are there any local capital outlay funds available to school districts?***

Yes. Several local sources provide funds for school district capital outlay, including:

- ❖ Discretionary Capital Outlay Levy (non-voted);<sup>21</sup>
- ❖ Voted millage;<sup>22</sup>
- ❖ School Capital Outlay Surtax (voted 1/2 cent sales surtax);<sup>23</sup>
- ❖ Local Government Infrastructure Surtax (voted);<sup>24</sup>

<sup>12</sup> Section 1011.73(1), F.S.

<sup>13</sup> Sections 1011.71(8) and 1011.73(2), F.S.

<sup>14</sup> Section 9(b), Art. VII of the State Constitution.

<sup>15</sup> Section 9(d), Art. XII of the State Constitution; s. 1013.64(1), (3), and (5), F.S.

<sup>16</sup> Section 9(d), Art. XII of the State Constitution; s. 1010.57; see Capital Outlay & Debt Service (CO&DS) Fund for Public Schools and the Florida College System Fact Sheet.

<sup>17</sup> Section 1013.64(2), F.S.; see Special Facility Construction Account Fact Sheet.

<sup>18</sup> Sections 1013.68 and 1013.70, F.S.; see ch. 97-384, L.O.F.

<sup>19</sup> Sections 1013.735 and 1013.737 F.S.; see Florida Lottery and Slot Machine Revenues for Education Fact Sheet.

<sup>20</sup> Section 1013.62, F.S.; see Charter School Funding Fact Sheet.

<sup>21</sup> Section 1011.71(2), F.S.; see Discretionary Capital Outlay Levy Fact Sheet.

<sup>22</sup> Section 1011.73(1), F.S.

<sup>23</sup> Section 212.055(6), F.S.; see School Capital Outlay Surtax (school half-cent sales tax) Fact Sheet.

<sup>24</sup> Section 212.055(2), F.S.; see Local Government Infrastructure Surtax Fact Sheet.

- ❖ Bond referendum (voted);<sup>25</sup> and
- ❖ Impact fees.<sup>26</sup>

### ***What types of funds are available for institutions in the Florida College System (FCS)?***

For the FY 2010-11, funds available for the operation of FCS institutions are as follows:<sup>27</sup>

- ❖ 48 percent from general revenue;
- ❖ 41 percent from student tuition and fees;
- ❖ 7 percent from the Educational Enhancement Trust Fund; and
- ❖ 4 percent from federal stimulus funds.

Although the Legislature controls in-state and out-of-state tuition and fees, the revenues remain at the individual institutions and are not appropriated in the General Appropriations Act.

### ***Are there any capital outlay funds available to FCS institutions?***

Yes. FCS institutions derive capital outlay funds from the following state sources:

- ❖ Public Education Capital Outlay and Debt Service Trust Fund (PECO);<sup>28</sup>
- ❖ Capital Outlay and Debt Service Trust Fund (CO&DS);<sup>29</sup>
- ❖ General Revenue Fund;<sup>30</sup>
- ❖ State match for private funds;<sup>31</sup> and
- ❖ Capital improvement funds.<sup>32</sup>

### ***What types of funds are appropriated for institutions in the State University System (SUS)?***

For the FY 2010-11, appropriations for operations of SUS institutions are as follows:<sup>33</sup>

- ❖ 53 percent from general revenue;
- ❖ 36 percent from student tuition and fees;
- ❖ 6 percent from the Educational Enhancement Trust Fund;
- ❖ 4 percent from federal stimulus funds; and
- ❖ Less than 1 percent from other trust funds.

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<sup>25</sup> Sections 1010.40 - 1010.59, F.S.; see Bond Referendum Fact Sheet.

<sup>26</sup> Section 163.31801, F.S.

<sup>27</sup> Specific Appropriation 10, s. 1 and 112-115A, s. 2, ch. 2010-152, L.O.F.

<sup>28</sup> Section 9(b), Art. XII of the State Constitution; s. 1013.64(1) and (4), F.S.

<sup>29</sup> Section 9(d), Art XII of the State Constitution; s. 1010.57, F.S.; see Capital Outlay & Debt Service Fund for Public Schools and the Florida College System Fact Sheet.

<sup>30</sup> Section 215.32(2)(a), F.S.

<sup>31</sup> Section 1011.32, F.S.; see Community College Facility Enhancement Challenge Grant Program Fact Sheet.

<sup>32</sup> Section 1009.23(11), F.S.

<sup>33</sup> Specific Appropriations 11-15, s. 1, and 131-143, s. 2, ch. 2010-152, L.O.F.

***In addition to state appropriations and student tuition and fees, are there other funding sources available to SUS institutions?***

Yes. The following funding sources may be available for state university operating purposes.<sup>34</sup>

- ❖ Federal, state, local, and non-governmental contracts and grants;<sup>35</sup>
- ❖ Gifts and donations;<sup>36</sup>
- ❖ Concessions;<sup>37</sup>
- ❖ Self-insurance funds;<sup>38</sup>
- ❖ Auxiliary enterprises;<sup>39</sup>
- ❖ Intercollegiate athletic fees;<sup>40</sup>
- ❖ Student financial aid fees;<sup>41</sup> and
- ❖ Faculty practice plans.<sup>42</sup>

***Are there any capital outlay funds available to state universities?***

Yes. State universities derive capital outlay funds from the following sources:

- ❖ Public Education Capital Outlay and Debt Service Trust Fund (PECO);<sup>43</sup>
- ❖ General Revenue Fund;<sup>44</sup>
- ❖ Capital Improvement Trust Fund and building fees;<sup>45</sup>
- ❖ State match for private donations;<sup>46</sup>
- ❖ State University Concurrency Trust Fund;<sup>47</sup> and
- ❖ Revenue from auxiliary enterprises and student fees.<sup>48</sup>

***Where can I get additional information?***

***Florida Department of Education***

Deputy Commissioner, Finance and Operations

(850) 245-0406

<http://www.fl DOE.org/cefo>

<sup>34</sup> See Florida Board of Governors Regulation 9.007 (Dec. 6, 2007).

<sup>35</sup> Section 1011.47(2), F.S.; see also s. 1004.22, F.S.

<sup>36</sup> See s. 1004.28, F.S.

<sup>37</sup> Section 1011.91(2), F.S.

<sup>38</sup> Section 1004.24, F.S.; see also Florida Board of Governors Regulation 10.001 (June 18, 2009).

<sup>39</sup> Section 1011.47(1), F.S.; see also Florida Board of Governors Regulation 9.013 (Nov. 20, 2008).

<sup>40</sup> Section 1009.24(12), F.S.

<sup>41</sup> Section 1009.24(7), F.S.

<sup>42</sup> Section 1001.706(2)(d), F.S.; see BOG Regulation 9.017 (May 8, 2008).

<sup>43</sup> Section 9(d), Art. XII of the State Constitution; s. 1013.64(1) and (4), F.S.

<sup>44</sup> Section 215.32(2)(a), F.S.

<sup>45</sup> Section 1009.24(8), F.S.; see s. 1013.74(3), F.S.

<sup>46</sup> Section 1013.79, F.S.; see University Facility Enhancement Challenge Grant Program Fact Sheet.

<sup>47</sup> Section 1013.63, F.S.

<sup>48</sup> Section 1010.62, F.S.

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